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C O N F I D E N T I A L SECTION 01 OF 03 PARIS 000104

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TAGS: [PGOV](#) [FR](#) [BO](#) [CO](#)

SUBJECT: MFA, PRESIDENCY ADDRESS UPCOMING MORALES VISIT

REF: A. STATE 1353

[1](#)B. BOGOTA 78

Classified By: Political Minister-Counselor Josiah Rosenblatt, reasons
1.4 (b) and (d).

[1](#)1. (C) Summary: In a January 5 discussion of ref A demarche, an MFA official indicated that President Chirac would urge Bolivian president-elect Morales January 7 to govern responsibly and inclusively. Chirac will counsel prudence in moving forward with stated plans to nationalize the natural gas industry to assure transparency and a reliable legal framework under which to operate. Chirac would also stress the significance of dedicating coca production to cultural, non-cocaine related use. Finally, Chirac would impress upon Morales the need to develop a good working relationship with the U.S. In return, the MFA emphasized the importance of international assistance to Bolivia to provide Morales with other alternatives than Castro and Chavez. A presidential diplomatic adviser told us separately that the GoF would seek to sensitize Morales on four key points: the need to respect democracy and the unity of the Bolivian people; the need to assure legal certainty for foreign investment; the need to continue the fight against narco-trafficking even if there is a depenalization of coca growing; and the need to preserve dialogue with the U.S. Separately, the MFA official confirmed that Foreign Minister Douste-Blazy would travel, primarily for domestic political reasons, to Colombia between January 23 and February 23, the anniversary date of the kidnapping of FARC hostage and dual Franco-Colombian citizen Ingrid Betancourt. End Summary.

[1](#)2. (U) Deputy PolCouns and PolOff met January 5 with MFA DAS-equivalent for Latin America Michel Pinard to discuss ref A demarche. PolMinCouns and PolOff also addressed the issue in a separate meeting January 6 with Presidential diplomatic advisor for the Americas Dominique Boche (discussion of Middle East subjects septel).

Important Precedent, Need for Unity

[1](#)3. (C) In a January 6 meeting with Deputy Political Counselor and PolOff, DAS-equivalent for Latin America Michel Pinard expressed French surprise at Morales' first round victory, adding that the unprecedented win in an election seen as free and fair made Morales the uncontested president of Bolivia. His election as the first indigenous leader of Bolivia also marked an important precedent in the country's history, but one that brought with it an additional, special burden. According to Pinard, Chirac would impress on Morales the importance of being a responsible leader, so as not to discredit indigenous populations throughout Central and South America, and to respect a diversity of viewpoints among fellow Bolivians. Additionally, given the importance of maintaining Bolivia's territorial integrity, Chirac would encourage Morales to pursue a dialogue with all regions of the country in the interest of national unity. Pinard stated that the indigenous culture from which Morales came, while somewhat autocratic in nature (in the sense of tribal chiefs), should not be viewed as a resurrection of "Bolshevism."

Nationalization of Gas Industry

[1](#)4. (C) Morales would need substantial capital, Pinard underlined, in order to move ahead with his ambitious (and in many regards, he continued, amply justified) social and economic reforms. Many of the resources would naturally come from the country's natural gas industry, Pinard said, but Bolivia did not have the capacity to do this alone and would still need international investors. He added that Morales' stated plans to nationalize the gas industry was viewed with less concern in France than in the U.S., given France's significant experience with state-owned industries. Chirac would nonetheless warn Morales to ensure that any such nationalization allow for foreign investment in an environment of transparent judicial regulation and long-term stability. France's Total energy company, which Pinard estimated had a 200 million euro investment in Bolivia, was ready to discuss terms with Morales and felt confident that a reasonable agreement could be reached.

Coca Production

15. (C) When questioned specifically, Pinard assured us that Chirac would also raise coca and cocaine production with Morales. That said, the GoF drew a distinction between a "cocalero" and a cartel head, and recognized that the coca leaf -- but not cocaine -- played an important role in indigenous culture. The question would be one of quantity -- small plots for use in tea or for chewing as opposed to large-scale cultivation for cocaine production -- and Morales would be advised to clarify quickly his policy on this point. Pinard readily acknowledged that France and the U.S. had a common interest too in interdicting cocaine trafficking into America and Europe.

Relationship with U.S. and Need for Assistance

16. (C) An important issue that Chirac would raise with Morales, Pinard indicated, would be the need to develop a cordial, working relationship with the U.S. Chirac would stress that the rhetoric and attitude toward the U.S. of Morales the President would have to differ from that of Morales the Candidate, Pinard said, noting that the realities of office would likely argue for more moderation and citing alleged recent statements by Morales' aides as evidence. Additionally, Pinard argued, it was in the best interest of the U.S. and Europe that Morales have both good external relations and economic assistance so that his options would not be limited to Venezuelan money and Cuban doctors. Unfortunately, Pinard noted, France had little aid to offer Bolivia, although he did say that the GoF hoped to provide assistance in establishing better administration of the Bolivian government.

Presidency

17. (C) In a discussing reftel points with PolMinCouns and PolOff, Presidential diplomatic advisor for the Americas Dominique Boche stressed that the GoF would seek to sensitize Morales on four key points: the need to respect democracy and the unity of the Bolivian people; the need to assure legal certainty for foreign investment; the need to continue the fight against narco-trafficking even if there is a depenalization of coca growing; and the need to preserve dialogue with the U.S. Boche opined that the U.S. needed to be realistic and shouldn't expect Morales to have a sudden change of heart in response to GoF appeals. All new leaders had the tendency to come into power thinking that the world began with them, Boche continued, and it took time to discover reality. In Morales' case, it would probably take six months before he had a more realistic sense of Bolivia's relative weight in Latin America, and the limitations he faces as a leader. In the interim, radical groups would continue to pressure him to take an extreme line, and the U.S. and Europe have to try and channel him in other directions; after six months, he should be much easier to deal with. On nationalization of gas production, Total is ready to hold discussions with him, but will insist that contracts be honored. Morales statements that nationalization didn't mean confiscation of property are reassuring; at the same time, there are other French investments in question, including Suez as the principle shareholder in the privatized La Paz El Alto water utility. Ultimately, Boche underlined, Morales must be clear that contractual obligations will be respected, or there will be no more European investment in Bolivia.

Colombia Visit

18. (C) Deputy Political Counselor also raised with Pinard the issue of MFA statements indicating that FM Philippe Douste-Blazy would travel to Colombia "in the coming weeks," presumably to pressure FARC leaders to reverse their rejection of the French-Swiss-Spanish humanitarian accord initiative. Pinard lamented the public announcement by Uribe of the GoC's acceptance of the proposal and judged the phrasing of the FARC's refusal to be sufficiently vague to be open to many interpretations, including further negotiations. Contrary to doubts expressed by the French ambassador in Bogota (ref B), Pinard believed that Douste-Blazy would indeed travel sometime between January 23 and February 23. The Ingrid Betancourt affair was too powerful an internal political issue, Pinard noted, not to put forth additional efforts to bring about her release, particularly as the fourth anniversary of her kidnapping (Feb. 23) approached.

Comment

19. (C) The French call for moderation and a positive relationship with the U.S. is to be welcomed. Implicit in Pinard's emphasis on the need for assistance, however, was the thought that the U.S. would need to overlook Morales' rhetoric and be prepared to work with him, if only to keep him out of the arms of Castro and Chavez. Less helpfully, the GoF seems resigned to accepting some level of coca cultivation, although such a policy begs the question of how the GoF will distinguish between coca intended for cultural use and that destined for cocaine production. End Comment.

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Hofmann